

## TARP Reform and Accountability Act of 2009

H.Amdt. 3 to H.R. 284 [111th]

TARP Reform and Accountability Act of 2009 - Amends the Emergency Economic Stabilization Act of 2008 (EESA) to direct the Secretary of the Treasury to require specified depository institutions under the Troubled Asset Relief Program (TARP) to report periodically on their use of TARP assistance.

Requires the Secretary to incorporate within the TARP assistance agreement how the funds are to be used and the benchmarks an institution must meet in using such funds.

Requires federal banking regulatory agencies to examine annually the use of TARP funds made by the deposit institutions.

Prohibits the use of TARP funds by a TARP-assisted institution for mergers or acquisitions unless such a transaction: (1) will reduce risk to the taxpayer; or (2) could have been consummated without such funds.

Sets forth executive compensation and corporate governance requirements.

Amends the Federal Deposit Insurance Act (FDIA) to require that reports of condition submitted by federally-assisted deposit institutions include the amount of any increase or decrease in new lending attributable to TARP investment or assistance.

Amends the Act to condition TARP assistance to a depository institution upon its issuance to the Secretary of common stock warrants.

Instructs the Secretary to make TARP available funds to smaller community financial institutions.

#### Increases

the size of the Financial Stability Oversight Board and authorizes it to overturn by a 2/3 vote any policy determination made by the Secretary.

Conditions TARP assistance upon development of a Board-approved foreclosure mitigation and implementation plan.

#### Cites

circumstances in which a servicer shall not be: (1) liable for entering into a loan modification or workout plan with respect to any mortgage that meets specified criteria; (2) limited in the ability to modify mortgages, the number of mortgages that can be modified, the frequency of loan modifications, or the range of permissible modifications; or (3) obligated to repurchase loans or otherwise make payments to the securitization vehicle on account of a modification, workout, or other loss mitigation plan for residential mortgages that constitute a part or all of the mortgages in the securitization vehicle.

#### Directs

the President to designate officers from the Executive Branch (President's designees) to implement specified purposes, including the restructuring necessary to achieve the long-term financial viability of domestic automobile manufacturers.

#### Requires the President's

designees to: (1) authorize and direct the disbursement of bridge loans to, or to enter into commitments for lines of credit for, each automobile manufacturer that submitted a loan request and a plan to Congress on December 2, 2008; and (2) determine measures to assess the progress of each eligible automobile manufacturer toward transforming such plan into a restructuring plan.

#### Conditions such bridge loans

upon an eligible automobile manufacturer's issuance of common stock warrants to the President's designee.

Subjects bridge loan recipients to specified standards for executive compensation and corporate governance.

Grants the Comptroller General oversight authority over the President's designee.

Makes it the duty of the Special Inspector General to audit and investigate the President's designee.

Requires the President's designee to report to Congress within five days of making any such bridge loan.

Authorizes

the Secretary to establish or support: (1) facilities for the availability of consumer loans, including vehicle and student loans; (2) state and local governments, and other issuers of municipal securities, experiencing difficulty accessing financing in the capital markets (including direct purchases and credit enhancement); and (3) facilities to support the availability of commercial real estate loans, including asset-backed securities.

Amends the National Housing

Act to revise the HOPE for Homeowners Program to: (1) revise requirements governing insured mortgages and premium payments; (2) authorize the Program's Board of Directors to establish a payment to the servicer of the existing senior mortgage for every loan insured under the Program; and (3) instruct the Secretary to fund increased credit subsidy costs.

Instructs the Secretary to implement a

program to stimulate demand for home purchases and to reduce unsold inventories of residential properties, ensuring the availability of affordable interest rates on mortgages made for the purchase of one- to four-family residential properties.

Amends the FDIA and the

Federal Credit Union Act to make permanent the increase in the standard maximum deposit insurance amount from \$100,000 to \$250,000.

Revises

requirements for systemic risk special assessments (to recover any loss to the Deposit Insurance Fund arising from actions taken or assistance provided with respect to an insured depository institution) to include assessments on depository institution holding companies.

[Click here to view the text of the legislation.](#)